
STATUTORY INSTRUMENTS

2006 No. 497

**The Taxation of Judicial Pensions
(Consequential Provisions) Order 2006**

Amendments of the 1993 Act

3.—(1) Section 3 of the 1993 Act (the appropriate annual rate) is amended as follows.

(2) In subsection (3)—

- (a) in paragraph (a)(i) (definition of “pensionable pay”) omit “, within the meaning of section 590C(1) of the Income and Corporation Taxes Act 1988(1) (earnings cap),”;
- (b) in paragraph (b) (definition of “pension-capped salary”) for the words from “, within the” to “assessment” substitute “does not exceed the permitted maximum for the tax year”.

(3) After subsection (3) insert—

“(3A) In subsection (3)(b) above “the permitted maximum” means—

- (a) in relation to the tax year 2005-06 and any earlier tax year, the permitted maximum within the meaning of section 590C(1) of the Income and Corporation Taxes Act 1988 (earnings cap) as it had effect for the tax year, and
- (b) in relation to the tax year 2006-07 and any later tax year, the amount arrived at under subsection (3B) below.

(3B) The permitted maximum for the tax year 2006-07 and any later tax year is the permitted maximum for the previous tax year increased (if there is a relevant increase in the retail prices index for the tax year) by the appropriate percentage for the tax year.

(3C) There is a relevant increase in the retail prices index for a tax year if the retail prices index for the month of September before the tax year is higher than it was for the previous September.

(3D) And the appropriate percentage for the tax year is the same percentage as the percentage increase in the retail prices index.

(3E) But if the result of the application of subsection (3B) above in relation to a tax year would not be a multiple of £600, the permitted maximum for that tax year is what it would be apart from this subsection rounded up to the nearest amount which is such a multiple.”.

(4) In subsection (6) (interpretation of section), insert at the end—

“, “retail prices index”, in relation to a month, means—

- (a) the general index of retail prices (for all items) published by the Office for National Statistics for the month, or
- (b) if that index is not published for the month, any substituted index or index figures published by that Office for the month, and

“tax year” and “the tax year 2006-07” (and corresponding expressions) have the meanings in section 279(1) of the Finance Act 2004.”.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.
